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World Poultry Meat Overview

It is projected that world poultry production by major producing countries will grow 4 percent in 2006 to reach 65.6 million tons. Significant growth will be seen in the U.S., Brazil, Mexico, European Union (EU), Argentina, and in Southeast Asia primarily in Thailand and Indonesia. The U.S. and Brazil account for the largest portions of the projected 2006 production increases. A U.S. October 2005 comparison shows an increase in the production of broiler meat 4.7% and turkey meat 3.6%. January through October of 2005, broiler meat totaled 29.5 billion pounds (+3.7%), due to increases in birds slaughtered (+1.9%) and the average live weight at slaughter (+2% to 5.5 pounds.) This coupled with gains in chicks placed for growout (+2%) from October 29 - November 26, 2005 indicate an increase in production for December 2005 and into 2006. With little overall growth in turkey meat production (+1%) and a strong export market supplies have been tight and are expected to continue so into the first quarter of 2006. Exports should benefit from the production increase.

Brazilian broiler production is expected to increase in 2006 by 5% to reach slightly over 9.5 million tons, keeping in line with the preceding two years. The increase is mostly a result of record exports to various markets like Japan, as it was able to oust its competitors due to avian influenza (AI) related trade bans. Brazil was able to increase its exports to Japan by 35% between January and August of 2005. Other attributing factors include an increase in domestic consumer demand and in the domestic supply of soybean meal.

Mexican broiler production is projected to increase 22% to slightly over 2.6 million tons, as it is expanding faster than beef or pork. It is estimated that Mexico will increase its poultry meat imports by 42% between 2002 and 2006 as it attempts to keep pace with domestic consumption.

In response to a slight increase in consumption and the addition of new member states in 2004, EU poultry production is expected to reach nearly 7.7 million tons with imports growing 5% to 460,000 tons. Argentine poultry production has quickly been increasing in recent years, due to good profitability, competitive domestic broiler prices, and the expansion of its export markets. Forecasts estimate an increase between 2002 and 2006 of 84 % to nearly 1.2 million tons.

The impacts of bird flu has taken its toll on many Southeast Asian countries, such as Thailand and Indonesia. Estimates indicate Thailand lost 20 to 25 percent of its poultry inventory, as well as 23% of its smaller producers due to the economic hardships. Thai broiler meat production is projected to be slightly over 1.1 million tons, 16% below the 2003 pre-AI levels. Indonesia is also forecast to below 2003 levels with predictions of reaching 672,000 tons in 2006.

Source: USDA FAS/USDA ERS

EU Accession Impact on Polish Agriculture Economy

The people of Poland have felt mixed emotions regarding its accession to the EU. In the first few months after Poland's accession into the EU May 1, 2004, there was an increase of 40% in exports of poultry meat compared to the same period prior to the accession. Between January and August of 2005, poultry meat exports rose 57% over the same period in 2004. These increases, as well as the reduction in prices for poultry feeds in Poland have stimulated the 8% growth in

poultry production. However some adverse effects have taken a toll on poultry production and exports as a result of a stronger Polish currency, the Euro. Domestic consumption of poultry meat leveled off and even fell between September and November of 2005, due to higher retail prices, a limited purchasing power, and concerns regarding avian influenza (AI.) A stronger Polish zloty and higher domestic prices encouraged the 370 percent increase in poultry meat imports of which over 90% originated in the former EU-15 countries. Imports of poultry meat rose 2 percent in the first eight months of 2005 compared to that of 2004.

Source: USDA FAS

World's Top 10 Poultry Meat Producing Countries (in thousands of metric tons)

Country	1999	2000	2001	2002	2003	2004
USA	16,039	16,416	16,813	17,311	17,504	18,008
China	11,699	12,873	12,866	13,262	13,870	14,170
Brazil	5,647	6,125	6,380	7,239	7,967	8,895
Mexico	1,767	1,863	1,976	2,123	2,163	2,272
France	2,188	2,221	2,215	2,105	2,015	1,975
India	875	1,136	1,307	1,460	1,662	1,715
United Kingdom	1,525	1,513	1,567	1,531	1,570	1,518
Spain	1,002	987	1,031	1,039	1,208	1,289
Japan	1,213	1,195	1,216	1,229	1,239	1,238
Indonesia	620	818	924	1,105	1,138	1,164
Others	22,872	24,045	25,638	26,433	26,171	26,314
World Total	65,419	69,190	71,934	74,837	76,507	78,560

World's Top 10 Poultry Meat Exporters (in thousand metric tons)

Country	1999	2000	2001	2002	2003	2004
USA	2,532	2,912	3,171	2,687	2,785	2,652
Brazil	805	965	1,344	1,726	2,089	2,628
Netherlands	739	762	780	828	795	695
France	842	811	744	729	687	650
Belgium	0	333	333	353	348	392
China	435	551	583	565	510	333
Thailand	343	396	511	552	597	319
Germany	140	174	188	254	298	318
United Kingdom	210	183	198	224	262	275
Denmark	131	134	137	143	142	152
Others	1,794	1,561	1,595	1,570	1,569	1,282
World Total	7,970	8,780	9,583	9,632	10,083	9,697

World's Top 10 Poultry Meat Importers (in thousand metric tons)

Country	1999	2000	2001	2002	2003	2004
Russia	233	691	1,390	1,381	1,205	1,117
Japan	733	807	807	860	817	695
United Kingdom	390	407	412	457	531	619
Hong Kong*	1,163	1,088	967	835	772	557
Germany	438	451	539	501	502	530
Mexico	317	362	388	399	486	459
Saudi Arabia	366	294	324	334	402	433
Netherlands	245	199	239	271	377	391
Ukraine	89	26	69	73	102	297
China	833	877	724	606	694	252
Others	2,352	2,544	2,675	2,977	3,341	3,525
World Total	7,159	7,748	8,533	8,694	9,229	8,877

Note: * China, Hong Kong, SAR

Source: United Nations Food & Agriculture Organization

Notice: Inspected Egg Products-U.S. & Canada Export/Import Trade & Live Poultry Slaughtered Under Inspection Reports will not be released due to Holiday Observances in Canada. Reports will be released as soon as the information is available.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Dec 30, 2005

CHICKEN WITH SKIN ADDED

FAT CONTENT	--- PRICES ---		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				
15-20%				
RANGE	16.75-20.00	11.00-17.00	1,178,400	648,800
WTD AVERAGE	17.29	13.55		

20% OR MORE

RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Dec 30, 2005

CHICKEN WITH SKIN ADDED

FAT CONTENT	--- PRICES ---		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	18.00	480,000	-
WTD AVERAGE		18.00		
15-20%				
RANGE	12.00-20.00	13.00-17.00	2,912,000	1,872,000
WTD AVERAGE	18.17	15.31		

20% OR MORE

RANGE	-	14.00	80,000	-
WTD AVERAGE		14.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 30 DECEMBER 2005.

The market tone on white meat was steady to instances weak with caution noted as some industry members waiting until next week for further market developments. Demand seasonally light. Offerings adequate to ample. Some increased inquiry was noted on tom drums into export channels for 2006. Trading mostly slow on all items. For domestic: frozen -20% mechanically separated -90 days age 18, fresh scapula 115-118 cents delivered.

FRIDAY, DECEMBER 30, 2005

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOL. (000)	WKLY WTD AVG PRICE	WKLY VOL. (000)
DRUMSTICKS, TOMS	38.00-38.50		38.28	92	38.50	172
WINGS FULL-CUT - TOMS	29.00		29.00	30	29.00	30
WINGS, V-TYPE, TOM						
TAILS		W	33.00	20	33.00	20
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN		R	95.00	40	95.00	40

THURSDAY, DECEMBER 29, 2005

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOL. (000)
DRUMSTICKS, TOMS	39.50		39.50	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		W	33.00	20
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	95.00		95.00	40

WEDNESDAY, DECEMBER 28, 2005

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOL. (000)
DRUMSTICKS, TOMS	38.00		38.00	40
WINGS FULL-CUT - TOMS		W	33.00	20
WINGS, V-TYPE, TOM				
TAILS	33.00		33.00	20
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F	98.00	40

TUESDAY, DECEMBER 27, 2005

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOL. (000)
DRUMSTICKS, TOMS		R	38.00	120
WINGS FULL-CUT - TOMS		W	33.00	20
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN		F	98.00	40

**MONDAY, DECEMBER 26, 2005
NO EXPORT TRADING REPORTED DUE TO
CHRISTMAS DAY HOLIDAY.**